Assistance to retrenched workers by GIC

1704. SHRI ATAL BIHARI VAJPAYEE;

SHRI KAILASH PATI MISHR A.Will the Minister of FINANCE be pleased to state:

(a) whether General Insurance Cor-porat'on proposes to provide cash assistance to workers retrenched due to modenv'sation/rehabilitation of potentially sick units; if so, the amount an^ time-schedule of the cash assistance;

(h) what is the amount to be paid by the employee, employer and Central Government under such an insurance scheme; and

(c) what is Government's response to the scheme as yet and what are the comments of Labour Unions?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) and (c) Da not arise.

Payment of Income-Tax by Companies

1705. SHRI SUNIL BASU RAY: Will the Minister of FINANCE be pleased to state:

fa) whether there are Zero-Tax companies;

(b) what is the number of such companies;

(c) wha^ is the dividend paid to the share-holder, in terms of amount and in terms of percentage;

(d) whether there is any improvement since Sec. 115 of Income-tax Act came into force;

(e) whether there has been any revenue gain;

(f) if not, what are the reasons therefor; and

(g) what action has been taken to enforce Sec. 115 of the Income Tax Act?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA); (a) The operation of the provisions of the Income-tax Act, 1961 can result in some of the companies not paying any tax because of various exemptions, deductions and incentives and therefore, the possibility of there being Zero-Tax companies' cannot be ruled out.

(b) and (c) Th$_e$ questions do not indicate the date or the period for which information is required. Therefore, the information called for cannot be furnished.

(d) Section 115J (and not section 115 as mentioned in the Question) of the Income-tax Act provides for a minimum tax in the case of so called 'Zero-tax companies'. With effect from the assessment year 1988-89, a new section 115J has come into force which provides for computation of income in the case of companies at the rate of 30 per cent of "book profit". If taxable income is less than 30 per cent of the 'book profit' then the later is to he taken as deemed taxable income. For calculation of book profit, the profit and los$_s$ account has to be prepared in accordance with the provision- of parts Ti & III of the Sixth Schedule of the Companies Act, 1955. Some adjustments have been providpd for, for arriving at the 'book profit', for the purposes of levy of tax under section 115J. Since the new prpvfeion has to come into force w.e.f. 1-4-1988 i.e. it would be applicable for the assessment year 1988-89, the exact impact of this provisions would be known only after 31s$_t$ March, 1989.

(e) Yes, Sir, the revenue is going to 'gain by the imposition of tax under section **115**J of the Income-tax Act.

(f) Does not arise.

(g) The section 115J is being administered by the same set of officers who are implementing other provisions of the Income-tax Act, 1961. No separate machinery has bee$_n$ created for this purpose. The existing provisions in the Income-tax Act are considered adequate for enforcing section 115J of th$_e$ Income-tax Act.

Recovery $_0$f Tax dues from Indian Express Newspapers (Bombay) Private Limited

1706. SHRI SATYA PRAKASH MALAVIYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to an article published in the News-Today of 12th September, 1987 to the effect that the losses passed on illegitimately to the newspaper companies by Express Traders amounted to more than Rs. 9 erores till 31st March, 1980, the interest charges borne in addition by these companies came to nearly Rs. 6 erores and by setting off such losses illegitimately against the business profits of the newspapers, the Government of India was defrauded of taxes amounting to nearly Rs. 8 erores till 31st March, 1980; and

(b) if so, what is the action taken by the Government to recover tax dues from Indian Express Newspapers (Bombay) Private Limited?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) and (b) Yes, Sir. Messers Express Traders, which is reported to be a registered Partnership firm, was assessed on an alleged aggregate loss $^{of\ R}$s. 7 erores for the assessment years 1971-72 t$_0$ 1976-77 and the assessment year 1980-81. Out of the said loss, loss amounting to Rs. 4.67 crore$_s$ was determined by the Settlement Commission. The losses of the said firm were allocated amongst its named four partners, to wit, Messrs Indian Express Newspapers (Bombay) Private Limited, M/s. Indian Express (Madurai) Pvt. Ltd., Messrs Express Newspapers Pvt. Ltd. and Messrs Andhra Frabha Pvt. Ltd. The aggregate capital investment by the aforesaid companies in the said firm amounted t$_0$ Rs. 9.60 crores during the period 1-10-1970 to 23.4.1980. To the extent that such capital was contributed out of borrowed funds, the companies purported to. claim deduction in the commutation of the taxable profits of the interest paid by them on such borrowed funds.

Indian Express Newspaper, Bombay (P) Ltd. is in arrears of tax to the extent of Rs. ?6.83 lakhs for the years 1981-82 and 1984-"£5.

In view *nt* the dispute raised, as aforesaid the recovery is not being enforced for the present.

उर्वरकों तथा खाद्यान्नों पर दी जाने वाल' राज सहायता का वापस लिया जाना

1707. **सरदार जगजीत सिंह अरोड़ा :**
श्री राम जेठमलानी :

क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकार उर्वरकों तथा खाद्यान्नों पर दी जाने वाली राजसहायता को वापस लेने पर विचार कर रही है ;

(ख) यदि हां, तो इस प्रकार के निर्णय के परिणामस्वरूप सरकार को प्रति वर्ष कितनी धनराशि की बचत होगी ;

(ग) क्या यह भी सच है कि इस राजसहायता को वापस लेने के बाद उर्वरकों तथा खाद्यान्नों के मूल्यों में वृद्धि नहीं होगी ;

(घ) क्या यह सच है कि इस प्रकार दी जाने वाली राजसहायता कभी भी उपभोक्ताओं तक नहीं पहुंचती है ; और

(ङ) यदि हां, तो इस दिशा में क्या कदम उठाये गये हैं ?